State of Wisconsin
Department of Health and Family Services

WISCONSIN

SENIORCARE
Prescription Drugs for Wisconsin Seniors

SeniorCare Demonstration Program
Quarterly Report

For the Quarter October, November and December 2002

Submitted: February 28, 2003

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Wisconsin SeniorCare Quarterly Report – October, November and December 2002

A. Overview – Summary Of Events

SeniorCare, Wisconsin's prescription drug program for seniors successfully completed another three months of service. All aspects of the program went smoothly with no notable problems in the areas of customer service or provider relations. Minor issues in the prior quarter during implementation were resolved and SeniorCare has very quickly become a stable and routine program.

Enrollment in the program continued to grow with 72,746 participants (all income levels) enrolled in the program as of December 31, 2002. For participants with incomes up to 200% FPL, the upper threshold for participation in the federal waiver, there were 53,707 participants. Chart 1 shows that about 73% of enrollees are in two lowest income categories, and hence in the waiver and about 27% are in the state only portion of the program.

Chart 1: Enrollment Distribution by Income Category
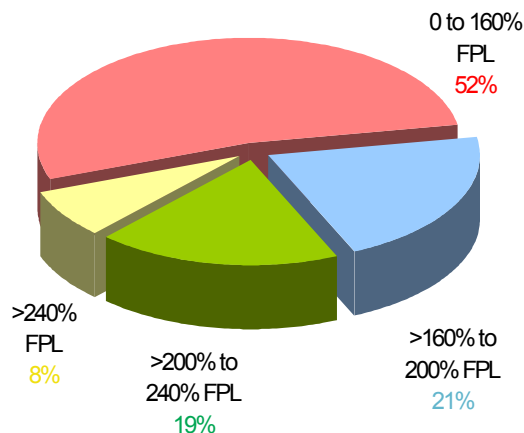
During the quarter, 18,003 people enrolled in the waiver portion of the program. Benefits payments payable by the state and federal government to pharmacies on behalf of persons enrolled in the waiver portion of the program during the quarter were about $10.5 million for approximately 413,500 prescriptions. This is well within the budget neutrality threshold for Demonstration year one.[1]

Department staff continued their work in ensuring all aspects of program implementation were completed and that no problems remained unresolved. Currently, there are no remaining problems in the key areas of eligibility determination, customer service, claims processing and payment or program policy.

Throughout the quarter, the Department maintained frequent e-mail and telephone contact with members of the advisory committee and there was one face-to-face meeting of the committee. There were periodic inquiries from the press and members of the state legislature about the program, and stakeholders appeared satisfied or pleased with the progress they saw. Department staff also continued to work with state and community agencies and organizations to explain and promote the program, although there were no state-wide, direct-to-consumer media promotional activities undertaken during the quarter. Information about the program and its progress was provided to a number of groups and individuals on a regular basis. Also, members of the department were invited to present information about SeniorCare at conferences and meetings within and outside of the state.

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[1] For further quantitative information on enrollment, costs and budget neutrality, see Section D and the appendices to this report.

In summary, during this quarter SeniorCare continued to successfully deliver important health care services to Wisconsin senior citizens in an effective manner. Growth in both enrollment and costs also continued, confirming the importance of the program as a significant financial and health-related benefit for participating Wisconsin seniors.

B. Eligibility And Enrollment

Trends to Date

Charts 2 and 3 show the distribution of enrollments by age group and gender respectively. The data on these two charts are for all SeniorCare participants regardless of income level. The proportions do not change significantly if restricted to just the population below 200% FPL.

The proportion of participants in the "85+"

Chart 2: Enrollment Distribution by Age Group

65 to 74
35%

85+
20%

75 to 84
45%
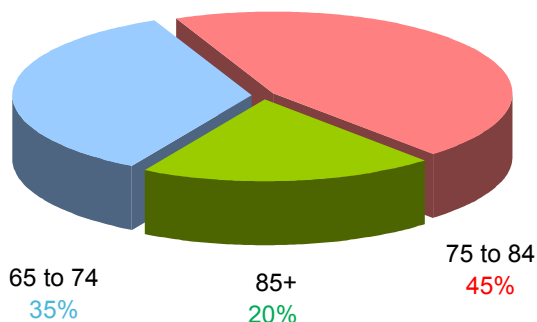
category, are higher than might be predicted based on population distribution alone, although age and income are often negatively related, as are age and health status. With respect to the male / female distribution shown in Chart 3, the program is serving a higher proportion of female participants which, given the underlying demographics and socioeconomic factors, is to be expected.

Chart 3: Enrollment Distribution by Gender

Male
28%

Female
72%
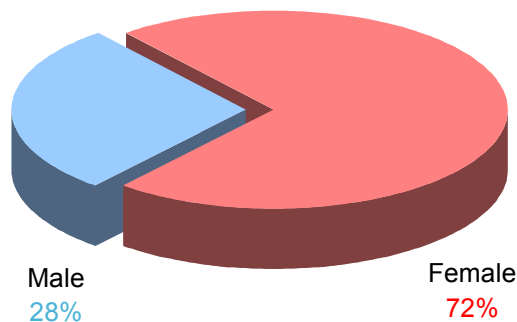
Application Form and Instructions

Through the end of December, over 80,000 SeniorCare applications and instructions have been received for case processing. Applications and instructions continue to be distributed in the following ways:

- The primary distribution method has been through the county and tribal aging units throughout the state.
- Other groups also received applications and instructions to assist their customers with the application process.
- Applications and instructions were mailed to customers who contacted the SeniorCare customer service hotline and requested enrollment information.
- Applications and instructions can also be obtained from the SeniorCare website.

Lessons Learned. Customer feedback on the application form has been good and has informed our discussions and plans for improving the application. We continue to consider the following changes to the application:

- Elimination of the question regarding receipt of SSI. Confusion with Social Security retirement income had some applicants indicating that they received SSI when they did not. This can negatively impact their eligibility for SeniorCare.

- Clarification of information regarding marital status. This set of choices for the applicants needs more explanation.
- The signature section needs to be simplified. Applicants may be confused about where to sign because of the signature options offered for the applicant or the authorized representative.

Central Application Processing Operation (CAPO) The second quarter of application processing and Customer Service activity continued under the integrated, dual supervision model consisting of staff from the contracted vendor for provision of Customer Service (private workers) and state staff (public workers) for the completion of eligibility determinations. Application volume decreased during this quarter as anticipated, allowing CAPO to use this time as an opportunity to evaluate and refine communication between public and private workers for the purpose of improved case management. During this time, CAPO also enhanced the process of communication with local agencies regarding shared or mixed case scenarios which are dually managed by CAPO for SeniorCare and the local agency for other benefit programs.

Continuing the integrated model of service delivery via the CAPO resulted in the following positive outcomes:

- Increase in the number of individuals determined eligible for SeniorCare from approximately 40,000 in the first quarter to a cumulative total of approximately 75,000 by the end of the second quarter.
- Reduction in the average number of days for completion of eligibility determination from date of application to confirmation of benefits from 19 days to 18.5 days. This is significantly less than

the 30 days allowed by administrative rule.
- Continuation of consistent information provided to the public and target population, as supported by feedback from the network of aging agencies and Benefit Specialists.
- Coordination in identifying inconsistent or unclear policies and/or processes.
- Incorporating updates regarding process and policy clarifications to existing reference and policy materials.

While CAPO processed the influx of new applications during the initial implementation of the new program during the prior quarter, it became apparent that there were issues concerning specific policies, systems adjustments and Customer Service improvements to be investigated and resolved.

Below is a summary of the specific improvements made during the second quarter relative to application processing:

- Refined and enhanced the coordination of case management between CAPO and local agencies regarding mixed or shared case scenarios. This included direct contact with local agency workers by CAPO Eligibility Specialists for the purpose of case/address coordination. Additionally, CAPO provided to the local agencies the name(s) and e-mail addresses of specific contact person(s) at CAPO who would respond directly to the local agency inquiry.
- Relocation of the Central Application Processing Operation to a permanent location.
- Hiring of the permanent full-time public Eligibility Specialists responsible for application processing and eligibility determinations as they relate to case management of new applications and ongoing cases.

- Enhanced phone systems with voice mail options that allow Eligibility Specialists to receive customer calls transferred directly from the Customer Service Hotline.
- Definition and clarification of specific policies related to application error corrections, opting out of the program and refund deadlines for enrollment fees when participants elect to withdraw from the program.
- Systems changes to reduce the number of applications that would require manual exception processing. An example is the change in the scanning business rules that allowed the "Receipt of SSI" box on the application to be ignored, because numerous applicants did not respond correctly to that question and had mistakenly indicated they were SSI recipients. If these cases had not been worked as exceptions, the applicants could have been incorrectly denied SeniorCare benefits.
- Revised and enhanced the communication documentation method between customer service and application processing to more adequately define the specific details of the case scenarios that require further research prior to resolution.
- Creation of a form (Authorization of Representative Form) for a SeniorCare applicant/participant to utilize in a situation where s/he wishes to allow another person access to case information, or to apply for and communicate changes to SeniorCare regarding that applicant.
- Address automation process within the system to reduce the number of discrepant address exceptions that required manual intervention.

In addition to the changes and refinements made to application processing tasks, a number of improvements were made in customer service, as outlined below:

- Relocation of the Customer Service Hotline to the permanent location.
- A reduction in the number of full-time permanent private workers who are responsible for responding to consumer calls to the SeniorCare Hotline. The permanent staffing levels are based on analysis of the accumulated call volume and the duration of specific call types.
- Automated call volume tracking in each separate call inquiry category (general, applicant and participant). This allowed more flexibility in meeting the customer service needs of the target population and enhanced our ability to generate reports necessary for evaluating the quality and volume of customer service activities.
- Continued refinement of scripts used to respond to callers based on feedback received from network of aging agencies regarding policy and/or process issues related to application process and eligibility criteria.

Lessons Learned. Throughout the second quarter of the SeniorCare program, we have identified several areas for continued analysis and improvement:

- Necessary skills and experience required of workers for successful and timely implementation of the process that is being developed for the eligibility review period for participants that begins in June 2003.
- Ratio of supervisory and lead worker staff for effective and efficient supervision of direct service staff.
- Timely planning, hiring and training of temporary staff for processing the anticipated volume of current participants who choose to review their eligibility in June of 2003.

Training Considerations
- Possibility of re-hiring some of the temporary staff that provided direct service to the target population during the initial application "bubble" from July through September 2002 for the June 2003 review period. This would result in reduced training needs, and reduced need for direct monitoring of worker activities due to the familiarity that these former temporary employees have with the SeniorCare Program.
- Ongoing training and continuing education of existing public and private workers to maintain and enhance knowledge and skills.
- Update and revise current training documents to include changes, additions, or discontinuation of current processes.
- Develop and define training plan for the review period.
- Training and preparation for Customer Service Representatives including review of newly created scripted responses in relation to the review period and the use of the pre-printed review form that will be developed in the next quarter.
- Training related to the information for the aging network and the public regarding the review period and processes/procedures for the implementation of that phase.

Scanning Process Prepared for Transition
The original application-processing model designed for SeniorCare was implemented through a contract with a scanning service already in operation at the state Department of Administration (DOA) with the goal being to select a cost-effective and immediately available vendor. During the first quarter, the DOA informed DHFS that it would be eliminating its scanning service altogether and would not be able to provide this service for SeniorCare as of mid-January, 2003. As a result, during the second quarter DHFS again went through the planning process for the transition of this key function. The Medicaid fiscal agent is the new scanning vendor which allows for greater coordination with the CAPO and financial systems established within the original model.

DHFS entered the planning process for this transition with a commitment to build on the original scanning functionality and apply lessons learned. For instance, while revisiting business rules, updates were made to simplify them so the complexity of logic required would be streamlined. Additional editing was also identified for implementation onto the mainframe computer system at the point where the data stream enters CARES (Client Assistance for Re-Employment Support). These added edit processes will prevent the capture of invalid data which, during the first quarter, resulted in an unacceptable rate of manual exception processing, and the need for more complex business rules during the scanning operation.

Lessons Learned. The original business rules defined for the scanning operation were based not only on the information collected on the SeniorCare application form, but also on our expectations regarding how this application form would be completed. We anticipated what variances in data we would reasonably expect to receive on the application form. The range of answers seniors supplied on the application was beyond our variance expectations.

For example, to obtain information sufficient to determine if the application contains two married persons living together the application asks, "Are you married? Yes/No?". We were surprised to find a high incidence of widows answering "Yes" to this question. The scanning business rules originally tried to make assumptions based on the responses to several questions, the

number of names present, etc. This rule was subsequently changed in the transition planning to improve the rate at which responses to this question are accurately processed.

CARES System Changes
Addressing. During this quarter, a new software package was implemented into CARES that automatically corrects 90% of invalid address information. With this software package, household addresses can be bar coded which reduces postage costs by creating a larger volume of batched mail. This process also reduces the rate of undeliverable mail which ensures that recipients receive notices and other mail (i.e., their identification cards) timely.

In-Box. Within a month of program implementation, there were over 30,000 records contained in the In-Box, the new CARES subsystem that had been added for SeniorCare. This increase in the quantity of data caused searching for a given record to be laborious and slow. In some instances, the search for a particular record for a particular person proved almost impossible. A new transaction was created to allow searches to be more easily narrowed. This new transaction not only produces lists containing more targeted results, but can also produce counts of individuals meeting specified criteria, which has proved to be a valuable management tool.

Lessons Learned. While a certain percentage of SeniorCare cases that also receive other benefits (such as food stamps) was anticipated, early coordination efforts between the county worker and the CAPO worker did not anticipate the difficulties associated with coordinating different mailing addresses.

For example, a number of SeniorCare applicants have been found to be already known to the CARES system as the community spouse in a case that is open for an institutionalized person. In these cases, the address already in place in CARES is that of the institution. Since there was no need anticipated for a SeniorCare specific address, a manual process that required close coordination between the county worker and the CAPO worker had to be implemented. To handle this issue, a new transaction to collect a SeniorCare specific address will be implemented into CARES.

Public Information and Education
The department has continued to use various strategies to provide information to seniors, their families and friends and to educate them about various aspects of the SeniorCare program. These include the distribution of marketing materials and additional training of partner organizations in the aging network, as well as ongoing use of the SeniorCare web site.

Marketing Materials. During the October – December 2002 period, the Department distributed over 100,000 SeniorCare brochures to partner organizations and pharmacies throughout the state. In addition, a radio script was developed for use, if needed, to provide program information to the target population. The radio script continues along a consistent marketing theme that started with the informational brochure and the television commercial.

Lessons Learned. One of the most successful ways of providing program information to individual customers has been through the SeniorCare customer service hotline. This operation, coupled with the website, has resulted in a well-informed target population.

Training of Aging Network. The Department continued with its training efforts during the second quarter. Additional training sessions have been conducted with various organizations that continue to assist seniors, as well as other organizations that work with aging agencies. The venue for these sessions was the Managed Care Forums held around the state. In addition, several follow-up training and information sharing sessions were held with benefit specialists that work with aging units. Staff also participated in an aging agency workshop in Madison in October and presented a program overview with a question and answer session.

Table 1 below shows the training sessions and presentations that were conducted or scheduled between October 1st and December 31st 2002 and the approximate number of participants.

streamlined, mail-in application process. In addition, there will be an evaluation of the program's reduced verification and change reporting policies.

For a random sample of cases, all non-financial and financial eligibility elements will be reviewed. If it is determined through the review process that a participant's eligibility was incorrectly determined, the CAPO will be notified and corrective action will follow.

Corrective Action and Benefit Recovery Process: Corrective action and benefit recovery policies and procedures have been drafted. When an error is discovered, eligibility for the remainder of the benefit period will be re-determined. If a participant's misstatement or omission of fact caused the error and the corrective

Table 1

Date/Location	Group (Number of Participants)
October 2, 2002 – Waukesha	Managed Care Forum (25 participants)
October 10, 2002 – Madison	Dane County Committee on Aging (50 participants)
October 23, 2002 – Eau Claire	Managed Care Forum (25 participants)
November 20, 2002 – Green Bay	Managed Care Forum (25 participants)
November 2002 – Tomah, Oshkosh, Lac du Flambeau	Aging agency benefit specialist training and program update sessions (100 participants)

Lessons Learned. We have found the training sessions with the benefit specialists to be extremely valuable because the information shared by the group has provided us with feedback that often results in program improvements.

Quality Assurance Process *Management Evaluation Quality Control (MEQC):* A program evaluation proposal for Wisconsin's 2003 MEQC special project was prepared and will be submitted to CMS soon. The evaluation will focus on the

action taken adversely affects the participant's level of eligibility, the case will be assessed for possible benefit recovery.

Fair Hearing Requests. DHCF continues to respond to participant requests for a fair hearing. To date, 40 fair hearing requests have been submitted.

Lessons Learned. As a result of fair hearing requests, the Department is addressing a number of eligibility policy issues and processes, as described below.

Policy clarifications in relation to:

- Situations in which a request for a refund is made for an individual that dies prior to the beginning of the benefit period and the department is not notified

The monthly statistics for customer service phone calls, applications received and number of people confirmed eligible is shown in table 2 below.

Table 2

	Oct	Nov	Dec	Total
Customer Service Phone Calls	11,670	9,471	5,160	26,301
Applications Received	8,079	5,865	3,191	17,135
Number of People Confirmed Eligible*	9,821	5,826	4,080	19,727

of the participant's death until after the refund deadline date has passed.

- Delays and denials that occur because of application errors.
- How to treat the application and enrollment fee in situations in which a participant has chosen to not participate but then notifies the Department within one calendar month that s/he wishes to be re-enrolled.

Process enhancements:

- A system change is planned to enhance the calculation of refund deadline dates.
- A system change is planned to enhance the notice of termination process.

Notable Accomplishments *SeniorCare Customer Service and Application Processing.* The SeniorCare Central Application Procession Operation has served several thousand SeniorCare applicants and participants. During the October-December 2002 quarter, customer service staff handled over 26,300 phone calls, answering questions about how to apply, where to obtain an application and SeniorCare benefits. In this quarter, the CAPO received over 17,100 applications and public workers confirmed over 19,700 people as eligible for the SeniorCare program.

*The number of people confirmed eligible represents the number confirmed eligible in the CARES system. After this point in the process, there is still data transfer and processing through the MMIS system before these people will show up in the enrollment data as reported from the SeniorCare "datamart" described later in the report.

C. Operations And Administration

Eligibility

- Procedural changes were implemented to allow participants to correct mistakes made providing income information on the application. These changes also required notification to pharmacies to adjust their claims to reflect the new level of benefits using the corrected income information.

Automated Voice Response (AVR)

- There was no marked increase in call volume due to SeniorCare activity.

Prior Authorization (PA)

- Expanded systems have allowed double call and fax capacity for SeniorCare.
- Stat PA: a 19% increase in average number of transactions over the same period the previous year.
- FaxPress: A 24.5% increase in the average number of transactions over the same period the previous year.

Point of Sale (POS)

- The Pharmacy Point of Sale (POS) system continues to perform well with no down time or problems. Over 1.1 million claims have been processed for SeniorCare Participants.

Coordination of Benefits (COB)

- Weekly matches continue to identify other coverage immediately upon enrollment.
- Approximately, 8% of participants have been identified through insurance matches to have other drug coverage.
- The department continues to apply cost avoidance to those claims in which there is other insurance coverage involved.
- The department has also begun the post payment billing process for pharmacy services; particularly Medicare covered drugs in late December 2002.

Provider Customer Service

- The SeniorCare Provider Handbook has been completed and is currently in the final routing process at the Department. The handbook is scheduled for distribution to pharmacy providers in April 2003.
- Customer service has received questions from both providers and participants about whether a drug is Brand or Generic.

D. Expenditures And Utilization

In this section, all expenditure and utilization data refer to only the waiver eligible participants (those with incomes up to 200% FPL) unless otherwise stated. A summary table with SeniorCare numeric information is also provided as an appendix to the report (Appendix 1).

Costs, Utilization and Enrollment
Chart 4 shows the distribution of costs between the various payers for people with incomes at or below 200% FPL.

Chart 4: Distribution of Payments by Source From Program Inception to December 31, 2002 for Waiver Participants
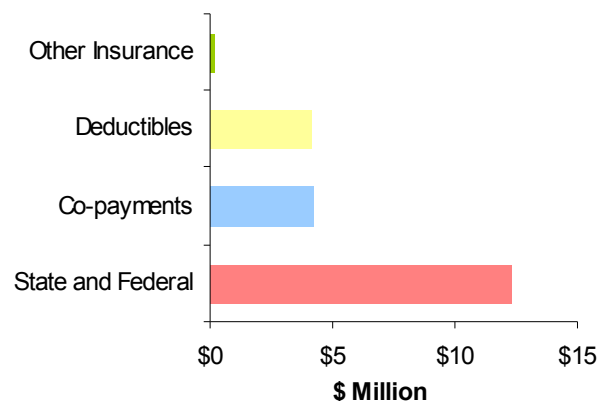
Since the program's inception on September 1, 2002, about $20.8 million worth of prescriptions have been purchased. This includes $12.3 million paid by the state (and for which there will be federal financial participation) and about $8.2 million in participant payments for both deductible and co-payment share. The amount recorded for payments by third party insurance was about $172,000. In terms of the proportion of costs paid for by public funds, the current proportion is about 59%. This is expected to increase in subsequent quarters as people in the reach their deductible and begin paying a lower share of the total.

Overall, enrollment and the resulting expenditures for the program are not as strong as was originally projected. The end of quarter enrollment for the whole program (waiver and non-waiver alike) of about 73,000 is much lower than the original projection of close to 140,000.

Noting the number of enrollments by county as a percentage of all seniors living in the county, there are some fairly large variations in this measure, and some of that is to be expected as income and the availability of alternative programs also vary geographically. Still, some counties appear to have much lower participation than was initially expected.

The department and some community service organizations did market the program heavily in the weeks and months leading up to the launch of the program, and some of these efforts continue. It is possible however, that there are still seniors who are unaware of the full extent of the potential benefits they could receive from the program and would enroll if they had additional information or assistance with assessing their options.

Medicaid Aged Population and Costs –
Waiver Budget Neutrality
The tracking of expenditures for the Medicaid (MA) covered population aged 65 and over indicates that there is little danger of violating the budget neutrality provisions of the waiver in the first fiscal year. With half of the fiscal year completed, total applicable costs are about $652.2 million. Given the budget neutrality threshold of $1.8 billion for the year, it is most unlikely that costs will exceed the threshold. Chart 5 illustrates the relative magnitude of the threshold and the amount paid over the first two quarters. Appendix 2 provides a more detailed description of the budget neutrality components.

Chart 5: Budget Neutrality Tracking – Demonstration Year 1
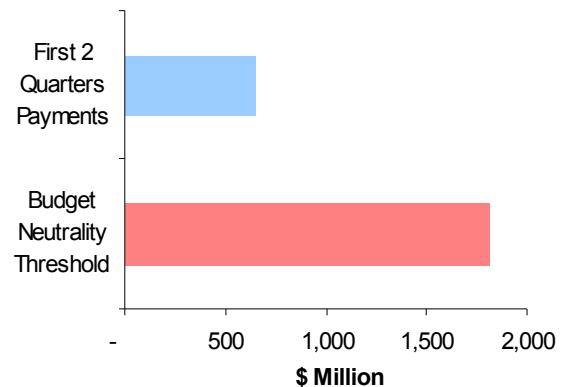
Data Analysis
The data system described in last quarter's report for obtaining quantitative information about the program performed very well and further development occurred in a number of areas. As expected, that work was completed by the end of December 2002. At the beginning of the quarter, there were two categories of information fully available, enrollment information and cost information. Further refinements included the development of two additional categories of information, drug utilization information and pharmacy information. In each case a number of grouping variables were established so that meaningful analysis could be conducted in a very short period of time. For example on the drug utilization module, prescription drugs can be categorized by narrow or broad therapeutic category, by Hierarchical Ingredient Code (HIC)-48, HIC-4 and by Generic Code Number (GCN), in addition to whether the drug is brand or generic, and whether on not the drug requires prior authorization. A web-based update system was developed so new drugs can be immediately captured and correctly categorized by professional pharmacy consultants on a real-time basis. This feature also includes the National Drug Code (NDC) number.

The new pharmacy module allows grouping of expenditures and utilization by pharmacy type, location and ranking on the basis of costs or volume. Both of these planned enhancements were developed on time and satisfied the business requirements that were developed at the beginning of the project. The formal communications and planning process that was described in last quarter's report continued throughout the quarter and remains one of the key factors accounting for the success of the system.

The data analysis system is updated with new data weekly and is programmed to perform about 40 queries automatically resulting in weekly reports on a wide array of relevant and required data. These reports offer both summary level data and highly detailed information. The ability to monitor the program is very well developed and the data monitoring system is fast and comprehensive.

E. Policy

During the quarter there were no significant policy issues that caused difficulty pertaining to the waiver population in SeniorCare.

Third Party Evaluation
With respect to the evaluation as described in the operational protocol, there has been a development that has significant implications for the amount and type of work the state had committed to in this area. A team from Brandeis University lead by Dr. Donald Shepard has been awarded an evaluation contract to evaluate both the Wisconsin and Illinois Pharmacy Plus waiver programs. By providing support and data for this effort, it supercedes the requirement that Wisconsin conduct a separate evaluation as described in the

operational protocol[2]. To date the state has provided support to the evaluation team to facilitate a broad review of the participant survey, assist in the testing of the survey instrument and development of a data sharing protocol. Plans are being developed for an evaluation team site visit to Wisconsin during the next quarter.

F. List of Appendices

1. Appendix 1. Enrollment and Expenditure Summary
2. Appendix 2. Budget Neutrality Report
3. Appendix 3. Advisory Committee Agenda and Minutes

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[2] E-mail correspondence from Rosemary Hakim, CMS to Dr. Donald Shepard, Brandeis University, Oct 25, 2002.

Appendix 1
ENROLLMENT AND EXPENDITURE SUMMARY
For the Quarter October, November, December 2002

ENROLLMENT / DEMOGRAPHICS	Number	Percent
TOTAL	**72,746**	**100%**
Co-payment (0 to 160% FPL) In Waiver	38,372	53%
Deductible (>160% to 200% FPL) In Waiver	15,335	21%
Deductible (>200% to 240% FPL) State Only	13,538	19%
Spenddown (>240% FPL) State Only	5,501	8%
Male	20,369	28%
Female	52,377	72%
Aged 65 to 74	25,461	35%
Aged 75 to 84	32,736	45%
Aged 85 +	14,549	20%
Number of Participants - Single	45,103	62%
Number of Participants - Couple	27,643	38%
EXPENDITURES UP TO 200% FPL		
ONLY PARTICIPANTS IN THE WAIVER		
TOTAL	**$20,764,215**	**100%**
State Paid to Date	$12,289,689	59%
Co-payment Paid to Date	$4,220,387	20%
Deductible Paid to Date	$4,082,123	20%
Spenddown Paid to Date	$0	0%
Other Insurance Paid to Date	$172,016	1%
Rebate Revenue Received to Date	$0	n.a.
EXPENDITURES FOR ALL FPL LEVELS		
ALL SENIORCARE PARTICIPANTS		
TOTAL	**$28,631,945**	**100%**
State Paid to Date	$14,004,277	49%
Co-payment Paid to Date	$4,611,579	16%
Deductible Paid to Date	$8,177,395	29%
Spenddown Paid to Date	$1,558,890	5%
Other Insurance Paid to Date	$279,804	1%
Rebate Revenue Received to Date	$0	n.a.

Appendix 2
WAIVER BUDGET NEUTRALITY REPORT
For the Quarter October, November, December 2002

	Reporting Category	This Quarter	SFY To Date	Notes
	ENROLLMENT			
(A)	SeniorCare Enrollment	18,003	53,707	Include only participants at or below 200% FPL.
(B)	MA Enrollment 65+	5,101	71,411	Exclude all SeniorCare enrollments, above and below 200% FPL.
	COSTS			
	MA Claims / Per Diems 65+	$294,296,498	$586,821,613	
	Other Waivers 65+	$9,768,828	$19,820,912	
	Financial Transactions 65+	$34,026,347	$33,308,817	
(C)	**Total Applicable MA Costs 65+**	**$338,091,673**	**$639,951,342**	
	Excluded IGT / URL Payments	$598,579,708	$598,579,708	Shown as requested, but they are **not** included in (C).
(D)	**SeniorCare Costs**	**$10,471,394**	**$12,289,689**	Include only participants at or below 200% FPL.
(E)	**Total Applicable Costs (C+D)**	**$348,563,067**	**$652,241,031**	
(F)	Annual Budget Neutrality Threshold	n.a.	$1,809,720,561	From Terms & Conditions, Attachment 'B', for SFY 03.
(G)	Difference (F-E)	n.a.	$1,157,479,530	Positive value indicates budget neutrality is maintained.

APPENDIX 3
SeniorCare Advisory Committee Meeting Agenda and Minutes

Committee Meeting
October 17, 2002, 10:00 a.m. – 12:00 p.m.
Location: Coalition of Wisconsin Aging Groups
2850 Dairy Drive, Suite 100
Madison, WI 53718

Agenda

10:00 Welcome and Overview of Meeting - James Vavra, Director, Bureau of Fee-for-Service Health Care Benefits, Division of Health Care Financing

10:05 Review and Approval of Minutes – Jim Vavra

10:10 Eligibility, Application & Customer Service Updates – Cheryl McIlquham, Director, Bureau of Health Care Eligibility
_ Enrollment & Applications
_ Customer Service update

10:45 Systems & Operations Updates – Ken Dybevik, Director, Bureau of Health Care Systems and Operations
_ Claims volume and provider participation
_ Implementation Issues
_ Status of Rebate Agreements

11:05 Policy and Budget Updates – James Vavra
_ Administrative Rules

11:20 Latest SeniorCare Statistics – Shawn Barry, Budget & Policy Analyst, Bureau of Fee-for-Service Health Care Benefits

11:45 Consumer Protection Update – Alan White, Director, Bureau of Program Integrity

11:55 Schedule Next Meeting And Identify Items

12:00 Adjourn

SeniorCare Advisory Committee
October 17, 2002, 10:00 a.m. – Noon
Location: Coalition of Wisconsin Aging Groups
2850 Dairy Drive, Suite 100, Madison, WI 53718

Minutes

Attendees:
Tom Frazier, Pat Towers, Jim Vavra, Jim Heersma, Trish Vandre, Alan White, Tom Moore, Tom Engels, Curtis Cunningham, Lisa Lamkins, Ken Dybevik, Robert Blain, John Sutter, Cheryl McIlquham, Helen Marks Dicks

Absent:
Fred Blancke, Pat Enright, Jetta Coons, Darcy Haber, George Potaracke

Jim Vavra welcomed everyone and opened the meeting. Jim reviewed the agenda.
The minutes from the September 19th meeting were presented. Jim asked the committee to get back to him if they had any changes or comments on the minutes.
Cheryl McIlquham handed out a report with updates on the enrollment and applications received along with customer service issues.

As of Thursday, October 17:
1. 65,757 applications have been received and processed
2. 62,869 persons confirmed eligible
4. 3,429 persons confirmed ineligible.

 The majority of these are actually closures as people elect to opt out of the program. Less than 1,000 people were confirmed ineligible for other reasons. The most common other reasons for ineligibility include:
a) the individual is not yet age 65 and is not turning age 65 within 30 days of
the application; and
b) the individual in already receiving full Medicaid benefits.

Cheryl reported that, to date, only about 20 appeals have been submitted for SeniorCare. The majority of these are being resolved with the customer prior to a fair hearing occurring. In addition, SeniorCare refunds are currently being processed for individuals who have been determined ineligible or have opted-out of the program.

Helen Marks Dicks raised three issues related to the program:
1. In some instances, the drugs cost more under SeniorCare.
2. The 34-day supply rule.
3. Some pharmacists cannot tell the participant what the cost will be until the drugs are charged to their account.

Jim Vavra responded to these issues: We need more information on the increase in drug cost. The 30-day rule may resolve itself in time. In the Medicaid Rule, we specify the drugs that can be dispensed in a 100-day supply; this is very set. In the SeniorCare Rule the wording is

different and will probably be able to go beyond the list. The Rule in MA is old, and we are working on changing the MA rule, which will make updating the SeniorCare Rule much easier. We may do an Emergency Rule to change the listing.

Trish Vandre asked, why do some drugs cost more now than before SeniorCare? Helen Marks Dicks and Trish Vandre gave examples of individuals being charged more now with SeniorCare than before without. Why? John Sutter stated that the lower of 2 rates; SeniorCare or the Usual & Customary would be charged.

Helen Marks Dicks also mentioned that with all the issues she has received, all of them end with a compliment to the new SeniorCare Program. John Sutter also stated that all is good on the pharmacist level. There are some participants who have the card, but are not using the program.

Ken Dybevik gave an update on claim volume and provider participation
1. Paid out over $6 million to date.
2. Haven't seen any system problems.
3. Over 73% of the drugs are part of the Rebate Program so far.
4. Still waiting on the last big manufacture, Schering-Plough (Claritin) to return the rebate agreement.
5. Haven't heard from 214 labelers.
6. 79 labelers have said no, these labelers produce mainly Over the Counter drugs.

Jim Vavra stated that now that we have claims processed, we would be able to compare drugs, volume and manufactures. Shawn Barry will run reports that will be able to show:
1. the top 25 drugs used by participants of SeniorCare
2. most used
3. participants by county
4. volume
5. dollar amounts
6. class of drugs
Pat Towers stated that some of this information would assist the outreach specialist in helping those in their areas.

Jim gave a summary of the Public Hearing on October 10, 2002. A representative of AFSCME was in attendance and spoke on AFSCME's behalf. They had concerns that SeniorCare did not use state staff and state workers for this program. The response was that we are using contract staff and state workers and CMS supported this decision. Others in attendance of the Hearing were observers from the Legal Services of Wisconsin and observers from Coalition of Wisconsin Aging Groups. Helen Marks Dicks will be submitting comments directly to the department.

The latest statistic reports were handed out and reviewed.

Cheryl McIlquham stated the number of calls received at the CAPO is about 600 per day. Pat Towers believes there will be another large push of applications because of word of mouth from those on the program.

Tom Frazier is concerned about the budget and estimated numbers. Robert Blaine stated the

budget would be reviewed in the spring when the program stabilizes and good numbers will be in.

Alan White handed out a web page printout from the Office of the Commissioner of Insurance. This printout listed the offenders who have used the SeniorCare name illegally. Alan explained the handout. There have been no other problems to report. The Department of Justice will be the department who will prosecute these offenders if needed.

Jim Vavra brought up the plans for the next Advisory meeting, and there was a consensus to hold the next Advisory meeting in 3 months. Statistic reports and updates will be sent on a monthly basis to the committee via email.

The next meeting will be held on January 16, 2003, 10 A.M. till noon, at the CWAG office. If there is bad weather, the rain date will be January 23, same time & location.

Meeting was adjourned.